

KEPPEL OPP'N EXH. 145

Message

From: Kai Choong KWOK [/o=Keppel Group/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=kaichoong.kwok]
on behalf of Kai Choong KWOK
Sent: 11/12/2014 12:10:29 AM
To: CHOW Yew Yuen [KOM-CEO] [/o=Keppel Group/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=YewYuen.CHOW11]
CC: TAN Leong Peng [KFE-ENGRG] [/o=Keppel Group/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=leongpeng.tan1]; Jeff CHOW [KOM-LEGAL] [/o=Keppel Group/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=jeff.chow]; Zwi Slornicki [zwi@eaglebr.com.br]; Tommy SAM [/o=Keppel Group/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=tommy.sam]; HANKIAT LOW [hankiat.low@kfelsbrasil.com.br]; Yan Naing MYINT [KFE-PJM] [/o=Keppel Group/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=yan]
Subject: RE: SETE - Contract terms if non payment

YY,

Reason for the mail below regarding our contractual rights is, today, we received verbal information that SETE will be unable to pay the invoice due 10 Dec (US\$74M) and probably the other remaining invoices till March as Sete is unable to get bridging loan from Banco do Brasil and they expect the long term financing likely to close only around mid Jan 2015 and funds released 60 days after the signing.

A request was also made for Keppel to keep progressing despite their missing their payment commitments and Keppel to finance the construction till they get their loan in place, paying interest as specified in contract. They claimed that they have also made same request to EAS, Jurong and ODB / EEP. Seems like these other yards' last payment received was in Oct and SETE missed paying their Oct MMB and will also be missing Dec's.

Yan – as discussed this afternoon, plse update CEO on the matter and also direction forward as BrasFELS will start to have negative cashflow beginning Feb if BrasFELS don't receive its milestone payments.

Rgds

KC

From: Yan Naing MYINT [KFE-PJM]
Sent: Wednesday, 10 December, 2014 20:24
To: CHOW Yew Yuen [KOM-CEO]
Cc: TAN Leong Peng [KFE-ENGRG]; Jeff CHOW [KOM-LEGAL]; Zwi Slornicki; Kai Choong KWOK; Tommy SAM; HANKIAT LOW
Subject: SETE - Contract terms if non payment

Dear YY,

Have checked the Contract regarding non payment from Owner.

In summary, we have the following rights.

1. We issue notice of non payment. Payment unpaid will bear interest (LIBOR +2%).
2. If non payment continues for 60 Business Days, we have the rights to termination OR suspension of Works.

In details, the EPC Contract provides for the following.

#10.9 Interest on Late Payment :

At a per annum rate equal to the 6-month LIBOR +2% per annum.

LIBOR rate as published by the Financial Times, London edition on the relevant due date.

#21.4 Termination by Contractor

Contractor may terminate this Agreement or suspend the execution of the Works

#21.4.1 If not paid within 60 Business Days after Contractor's notice of non-payment to Owner

Event of termination

Owner shall pay Contractor (within 60 Business Days after the termination notice)

1. Reasonable value of the Works performed prior to termination, plus
2. Any reasonable mobilization costs, plus
3. Reasonable direct cost-out costs,
4. Entitled to receive a percentage of the remaining amount of the Contract (no entitlement for overhead or anticipatory profit) :-
 1. 3% if termination occurs during first 16th month
 2. 6% if between 17th and 32nd month
 3. 9% if between 33rd and 48th month

Event of suspension

Issue notice of Suspension 5 days before actual suspension.

Parties shall negotiate a Change Order to address impact of such suspension on the Contract Price and on the Project Schedule at such time as Contractor's performance of the work resume.

Best regards,

Yan

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